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## Comparison of Benefits Illustrating the Effect of the Daniels-McGee Bill

The attached chart illustrates the effect of the Daniels-McGee Bill on actual cases computed for retirement. The computations involve two of the three major benefits of the Daniels-McGee Bill (adding accrued sick leave to service time and computing average salary on high three years of service). The third major benefit (one percent additional increase in annuity every time a cost-of-living adjustment is triggered) would further erode the CIA Retirement Act annuity by approximately 1 percent each year, more than 10 percent in ten years because of the cumulative effect. Moreover, the attached comparison understates the effect of computing annuities based upon high three rather than high five years of service for the immediate future because of the relatively large general salary increase which took effect 1 July 1969 under P. L. 90-206.

### Percentage Analysis of the Attached Cases

| Case No. | Basic Annuity Increase Under<br>Daniels-McGee Bill Provisions |
|----------|---|
| 1        | 8.94 percent  |
| 2        | 5.91 percent  |
| 3        | 7.8 percent   |
| 4        | 8.04 percent  |

### Percentage Comparison Between CIARD and Civil Service

| Case No. | Pre-Daniels-McGee<br>Advantage | Post-Daniels-McGee<br>Disadvantage | Relative Change |
|----------|--------------------------------|------------------------------------|-----------------|
| 3 with 4 | 7.29 percent                   | .7 percent                         | 8.19 percent    |
| 5 with 6 | 5.76 percent                   | 1.69 percent                       | 7.45 percent    |
| 7 with 8 | 6.67 percent                   | 1.74 percent                       | 7.41 percent    |

Comparison of Benefits  
Illustrating Effect of the Daniels-McGee Bill

|                                      | <u>Comparison</u> |                   |                   |                            |
|--------------------------------------|-------------------|-------------------|-------------------|----------------------------|
|                                      | (1) <u>CIARDS</u> | (2) <u>CIARDS</u> | (3) <u>CIARDS</u> | (4) <u>CSC Involuntary</u> |
| <u>1/</u> Age                        | 56                | 54                | 58                | 58                         |
| Grade                                | GS-13             | GS-12             | GS-17             | GS-17                      |
| Service: years/mos                   | 23/5              | 29/7              | 27/7              | 27/7                       |
| High-5                               | \$15,648          | \$13,641          | \$25,900          | \$25,900                   |
| Basic Annuity                        | \$ 7,328          | \$ 8,071          | \$14,288          | \$13,317                   |
| Reduced Annuity                      | \$ 6,865          | \$ 7,534          | \$13,129          | \$12,255                   |
| Survivor Benefit                     | \$ 4,031          | \$ 4,439          | \$ 7,853          | \$ 7,320                   |
| <br><u>2/</u> Service (w/sick leave) | <br>24/4          | <br>29/11         | <br>28/6          | <br>28/6                   |
| High-3                               | \$16,403          | \$14,287          | \$27,020          | \$27,020                   |
| Basic Annuity                        | \$ 7,983          | \$ 8,548          | \$15,402          | \$14,388                   |
| Reduced Annuity                      | \$ 7,455          | \$ 7,963          | \$14,132          | \$13,219                   |
| Survivor Benefit                     | \$ 4,391          | \$ 4,701          | \$ 8,471          | \$ 7,908                   |

1/ Computations without Daniels-McGee Bill

2/ Computations with Daniels-McGee Bill

Comparison of Benefits of Individual Eligible  
To Retire Under Either Civil Service or CIARDS

|                                      | 55-30<br><u>Case Comparison</u> |                   |                          |                   |
|--------------------------------------|---------------------------------|-------------------|--------------------------|-------------------|
|                                      | (5) <u>Civil Service</u>        | (6) <u>CIARDS</u> | (7) <u>Civil Service</u> | (8) <u>CIARDS</u> |
| <u>1/</u> Age                        | 59                              | 59                | 55                       | 55                |
| Grade                                | GS-15                           | GS-15             | GS-14                    | GS-14             |
| Service: years/mos                   | 34/5                            | 34/5              | 30/0                     | 30/0              |
| High-5                               | \$21,725                        | \$21,725          | \$15,989                 | \$15,989          |
| Basic Annuity                        | \$14,139                        | \$14,954          | \$ 8,994                 | \$ 9,593          |
| Reduced Annuity                      | \$12,995                        | \$13,729          | \$ 8,365                 | \$ 8,904          |
| Survivor Benefit                     | \$ 7,776                        | \$ 8,225          | \$ 4,947                 | \$ 5,280          |
| <br><u>2/</u> Service (w/sick leave) | <br>35/2                        | <br>35/2          | <br>30/6                 | <br>30/6          |
| High-3                               | \$22,838                        | \$22,838          | \$17,048                 | \$17,048          |
| Basic Annuity                        | \$15,206                        | \$15,987          | \$ 9,760                 | \$10,399          |
| Reduced Annuity                      | \$13,955                        | \$14,658          | \$ 9,054                 | \$ 9,629          |
| Survivor Benefit                     | \$ 8,363                        | \$ 8,793          | \$ 5,368                 | \$ 5,724          |

1/ Computations without Daniels-McGee Bill

2/ Computations with Daniels-McGee Bill

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